

Chairman Linda W. Cropp,
at the request of the Mayor

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Chairman Linda W. Cropp, at the request of the Mayor, introduced the following bill, which
was referred to the Committee on _____ .

To provide an expedited procedure for notifying interested parties that structures are
deteriorated and requiring them to act, provide the authority to the Mayor to demolish,
or enclose deteriorated structures if interested parties fail to act, and to provide a tax lien
for any costs incurred by the District government; to protect the availability of publicly
assisted affordable rental housing for low- and moderate-income households by
notifying the District government and tenants when transitions from government-
assisted rental housing accommodations to non-participatory uses are planned; to amend
Chapter 18 of Title 47 of the D.C. Code to provide an income tax credit to an owner
occupant of a historic home against qualified rehabilitation expenditures, and to limit the
amount of tax credits that the Mayor may pre-approve during calendar years 2003
through 2007; to amend Chapter 18 of Title 47 of the D.C. Code to provide low-income,
long-term homeowners an income tax credit equal to the amount of real property taxes
paid beyond a 5% increase; to amend the Housing Production Trust Fund Act of 1988 to
provide grants, to allow funds to be used for reasonable costs of administration, and to
dedicate revenue sources to assure the continuation of the Fund; to amend Chapter 8 of
Title 47 of the District of Columbia Code to reduce increased property tax liability by
50% during the first 10 years for eligible real property in eligible areas, to reduce
increased property tax liability by 75% during the first 10 years for all new mixed-
income housing developments in which 10% of the units are occupied by low and
moderate income households, to reduce the property tax liability by 100% during the
first 10 years for all new mixed-income housing developments in which 20% of the units
are occupied by low and moderate income households, and to provide tax relief to new
homeowners in enterprise zones; and to amend section 802 of the Rental Housing
Amendment Act of 1985 to make conforming amendments; to amend the Homestead
Housing Preservation Act of 1986 to expand the market of decent and affordable rental
properties in the District of Columbia, to establish a Homestead Repayment Fund, and to
authorize the Mayor to accept unsolicited proposals; to amend the Abatement and
Condemnation of Nuisance Properties Omnibus Amendment Act of 2000 (D.C. Law 13-
646) to authorize the acquisition and development or redevelopment of abandoned or

1 deteriorated property, including but not limited to demolition or renovation of the
2 property or otherwise eliminating blight or unsafe conditions, to authorize the sale,
3 transfer, or other disposition of abandoned or deteriorated property so acquired,
4 regardless of whether it has been altered or improved, and to authorize preferences,
5 assistance, and payments to displaced occupants, tenants, and lessees.

6
7 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that this
8 act may be cited as the “Housing Preservation, Rehabilitation, and Production Omnibus
9 Amendment Act of 2001.”
10

11
12 TITLE I: DUE PROCESS DEMOLITION.

13 Sec. 101. Findings.

14 The Council of the District of Columbia finds that:

15 (1) There exists a large number of deteriorated structures in the District of Columbia.

16 (2) Deteriorated structures constitute a threat to public health, safety, or welfare and
17 contribute to the blight or dilapidation of the neighborhood immediately surrounding them.

18 (3) There is an immediate need to demolish deteriorated structures throughout the
19 District in order to improve public health, safety, and welfare.

20 (4) Public policy regarding the protection, enhancement and perpetuation of
21 properties of historical, cultural and aesthetic merit is set forth in the Historic Landmark and
22 Historic District Protection Act of 1978, effective March 3, 1979 (D.C. Law 2-144; D.C. Code §
23 5-1001 *et seq.*).

24 (5) The existing law regarding unsafe structures does not provide the Mayor the
25 authority to expeditiously address the threat of deteriorated structures in the city’s
26 neighborhoods.

27 (6) Other jurisdictions provide an expedited process for the Mayor to take action to
28 demolish, repair, or enclose deteriorated structures.

1
2 Sec. 102. Definitions.

3 For the purpose of this title, the term:

4 (1) “Deteriorated structure” means any structure that:

5 (A) Is unoccupied;

6 (B) Is not secure;

7 (C) The Mayor has determined:

8 (i) Constitutes a threat to public health, safety, or welfare; or

9 (ii) Contributes to the dilapidation of the neighborhood immediately
10 surrounding it;

11 (D) The Mayor determines is more likely to be developed if it is demolished;

12 (E) Is not designated as a potential historic structure, or, if so designated, the
13 Mayor has determined that it is not suitable for rehabilitation under the standards set forth in the
14 Historic Landmark and Historic District Protection Act of 1978, effective March 3, 1979 (D.C.
15 Law 2-144; D.C. Code § 5-1001 *et seq.*); and

16 (F) Violates at least one provision of the District of Columbia Construction
17 Codes 1999 Supplement, effective November 19, 1999 (47 DCR 9410) or the District of
18 Columbia Housing Code (14 DCMR Subtitle A).

19 (2) “Potential historic structure” means a structure that appears to meet the criteria for
20 historic designation on the District of Columbia Inventory of Historic Sites (10 DCMR § 2624),
21 as determined by the Historic Preservation Review Board.

22 (3) “Interested parties” means the following with respect to a deteriorated structure:

1 (A) Owners, as recorded in the real estate assessment records of the District of
2 Columbia;

3 (B) Titleholders, as reflected in the records of the Recorder of Deeds; and

4 (C) Lienholders, as reflected in the records of the Recorder of Deeds.
5

6 Sec. 103. Redevelopment Feasibility Study .

7 (a) Prior to making a determination under Section 105, the Mayor shall file a notice
8 with the Department of Housing and Community Development including:

9 (1) The address of the deteriorated structure or a description of the location of
10 the deteriorated structure that is sufficient for its identification;

11 (2) A photograph or photographs of the structure clearly documenting the
12 appearance of the structure and its immediate surroundings; and,

13 (3) A statement that the Mayor intends to make a determination that the
14 structure is a deteriorated structure.

15 (b) If the Department of Housing and Community Development does not provide the
16 Mayor a feasibility study analyzing the likelihood of redevelopment within 30 days of receiving
17 notice from the Mayor, then the Mayor shall presume that the structure is not likely to be
18 redeveloped without first demolishing the structure.
19

20 Sec. 104. Designation of Potential Historic Structure.

21 (a) Prior to making a determination under Section 105, the Mayor shall file a notice
22 with the Historic Preservation Review Board including:

1 (1) The address of the structure or a description of the location of the structure
2 that is sufficient for its identification;

3 (2) A photograph or photographs of the structure clearly documenting the
4 appearance of the structure and its immediate surroundings; and,

5 (3) A statement that the Mayor intends to make a determination that the
6 structure is a deteriorated structure.

7 (b) If the Historic Preservation Review Board does not determine that the structure is
8 a potential historic structure within 60 days of receiving notice from the Mayor, then the Mayor
9 shall presume that the structure is not a potential historic structure.

10
11 Sec. 105. Initial Determination of Deteriorated Structure.

12 (a) If the Mayor determines that a structure is a deteriorated structure, the Mayor
13 shall prepare a notice including:

14 (1) The address of the deteriorated structure or a description of the location of
15 the deteriorated structure that is sufficient for its identification;

16 (2) A statement that the structure is a deteriorated structure and the basis for
17 the determination;

18 (3) A statement that the structure is not a potential historic structure, or if it is
19 a potential historic structure, a statement providing the basis for the Mayor's determination that it
20 is not suitable for rehabilitation under the standards set forth in the Historic Landmark and
21 Historic District Protection Act of 1978, effective March 3, 1979 (D.C. Law 2-144; D.C. Code §
22 5-1001 *et seq.*);

1 (4) A statement that the Mayor intends to demolish or enclose the deteriorated
2 structure if interested parties do not take sufficient action within 30 days of mailing or
3 publication of the notice, whichever is later;

4 (5) A statement of actions that may be taken by interested parties to avoid
5 further action by the Mayor; and

6 (6) A summary statement of the final determination procedure and judicial
7 review provided by this title.

8 (b) Upon completion of the notice under subsection (a) the Mayor shall:

9 (1) Post the notice on the deteriorated structure;

10 (2) Mail the notice to all interested parties by certified mail, return receipt
11 requested;

12 (3) Publish the notice once in a newspaper of general circulation in the
13 District of Columbia; and

14 (4) File the notice with the Recorder of Deeds.

15
16 Sec. 106. Action by Interested Parties.

17 Interested parties shall take sufficient action to demolish, repair, or enclose the
18 deteriorated structure, as required by the Mayor, within 30 days of the mailing or the publication
19 of the initial determination pursuant to section 105, whichever is later. If sufficient action by the
20 interested parties has not been completed within 30 days, an interested party may contact the
21 Mayor in writing prior to the Mayor's mailing of a notice of final determination under section
22 107 with a plan for the immediate completion of demolition, repair, or enclosure of the
23 deteriorated structure or to present reasons why the Mayor should not take action. The Mayor

1 may consider such plans or reasons in making his final determination under section 107. Upon
2 request the Mayor may, in the exercise of his discretion, extend the 30-day period for completion
3 of the demolition, repair, or enclosure of the deteriorated structure for a specified period of time
4 not to exceed 30 days.

5
6 Sec. 107. Final Determination of Deteriorated Structure.

7 (a) If the Mayor determines that the interested parties failed to take sufficient timely
8 action or to present sufficient reasons to prevent action by the Mayor, the Mayor shall prepare a
9 notice of final determination, which shall include:

10 (1) The address of the deteriorated structure or a description of the location of
11 the deteriorated structure that is sufficient for its identification;

12 (2) A statement that the structure is a deteriorated structure and the basis for
13 the determination;

14 (3) The date of the notice of initial determination under section 105;

15 (4) A statement that the Mayor intends to demolish or enclose the deteriorated
16 structure because the Mayor finds that interested parties did not take sufficient action to
17 demolish, repair, or enclose the deteriorated structure within the time permitted; and

18 (5) A statement that interested parties have 10 days from the date of mailing
19 of the notice to seek judicial review of the Mayor's final determination and that filing of such a
20 petition will stay any action by the Mayor until a judicial order is entered.

21 (b) Upon preparation of the notice under subsection (a), the Mayor shall:

22 (1) Post the notice on the deteriorated structure;

1 (2) Mail the notice to all interested parties by certified mail, return receipt
2 requested; and

3 (3) File the notice with the Recorder of Deeds.
4

5 Sec. 108. Demolition or Enclosure of Deteriorated Structures.

6 (a) The Mayor is authorized to demolish or enclose a deteriorated structure if:

7 (1) Notice of the initial determination was made pursuant to Section 105;

8 (2) Interested parties did not take sufficient action to demolish, repair, or
9 enclose the deteriorated structure within 30 days after the mailing or publication, whichever is
10 later, of the notice of an initial determination under section 105, or any extension of the period
11 by the Mayor; and

12 (3) Interested parties did not seek judicial review of the Mayor's final
13 determination pursuant to section 109 within 10 days of the mailing of the notice of a final
14 determination.

15 (b) The Mayor shall act to demolish or enclose the deteriorated structure within 180
16 calendar days of mailing or publication of the notice of initial determination, whichever is later.
17

18 Sec. 109. Judicial Review of Final Determination.

19 Interested parties may, within 10 days from the date of the mailing of the notice of a final
20 determination, appeal to the District of Columbia Court of Appeals for judicial review pursuant
21 to section 11 of the District of Columbia Administrative Procedure Act, approved October 21,
22 1968 (82 Stat. 1209, D.C. Code § 1-1510). Once a petition for review has been filed and the
23 Mayor has been served, the Mayor is stayed from taking any action under this title to demolish,

1 repair or enclose the deteriorated structure until the court issues an order authorizing the Mayor
2 to act, enters final judgment, or dismisses the petition. When action by the Mayor is stayed
3 under this section, the period of time that action is stayed shall not be computed as part of the
4 period of time within which the Mayor may act pursuant to section 108(b).

5
6 Sec. 110. Recovery of Costs by District.

7 (a) Within 180 days of the completion of the demolition or enclosure of a
8 deteriorated structure by the Mayor, the Mayor shall determine the cost and expense of any work
9 performed by him under the authority of this title, including the cost of making good damage to
10 adjoining premises (except such as may have resulted from carelessness and willful recklessness
11 in the demolition or removal of any structure) less the amount, if any, received from the sale of
12 old material, and shall assess such costs upon the lot or ground whereon such deteriorated
13 structure stood. The Mayor may assess all reasonable costs, including administrative costs,
14 incurred under this title and all expenses incident thereto as a tax against the property, may carry
15 this tax on the regular tax rolls, and may collect this tax in the same manner as real estate taxes
16 are collected. Monies in the revolving fund established by subsection 1(b)(1) of An Act to
17 provide for the abatement of nuisances in the District and by the Commissioners of said District,
18 and for other purposes, approved April 14, 1906 (34 Stat. 114; D.C. Code § 5-513(b)(1)) shall be
19 available to cover the costs incurred by the Mayor under this title. Any amounts assessed or
20 collected pursuant to this section shall be deposited to the credit of the revolving fund.

21 (b) Any such tax may be paid without interest within 60 days from the date such tax
22 was levied. Interest of 20% per annum shall be charged on all unpaid amounts from the

1 expiration of 60 days from the date such tax was levied. Any such tax may be paid in 3 equal
2 installments with interest thereon.

3 (1) If any such tax or part thereof shall remain unpaid after the expiration of 2
4 years from the date such tax was levied, the property against which said tax was levied may be
5 sold for such tax or unpaid portion thereof with interest and penalties thereon at the next ensuing
6 annual tax sale in the same manner and under the same conditions as property sold for delinquent
7 general real estate taxes, if said tax with interest and penalties thereon shall not have been paid in
8 full prior to said sale. D.C. Code § 47-1205(b) and (c) shall apply to taxes levied and collected
9 under this title.

10 (2) Any unpaid tax shall be considered a personal debt of the owner of record.
11 An action may be brought in the name of the District at any time within 3 years from the
12 expiration of 60 days from the date such tax was levied to recover the amount of the unpaid tax.

13 (3) The District shall have a lien upon all the property of an owner of record
14 who fails to pay to the Mayor the tax required under this title. The lien shall accrue on the
15 expiration of 60 days from the date such tax was levied. This lien shall have the same priority as
16 other District taxes.

17 (4) The remedies set forth in this section are hereby declared to be cumulative
18 and not exclusive.

19
20 Sec. 111. Conforming Amendments.

21 (a) An Act To authorize the Commissioners of the District of Columbia to remove
22 dangerous or unsafe buildings and parts thereof, and for other purposes, approved March 1, 1899
23 (30 Stat. 923, D.C. Code § 5-601 *et seq.*) is amended as follows:

1 (1) Section 2 (D.C. Code § 5-602) is amended by striking the phrase “unsafe
2 structure or excavation,” and inserting the phrase “unsafe structure, except for a deteriorated
3 structure under Title 1 of the Housing Preservation, Rehabilitation, and Production Omnibus
4 Amendment Act of 2001, or excavation,” in its place.

5 (2) Section 3 (D.C. Code § 5-603) is amended by striking the phrase
6 “structure or excavation” everywhere that it appears and inserting the phrase “structure, except
7 for a deteriorated structure under Title 1 of the Housing Preservation, Rehabilitation, and
8 Production Omnibus Amendment Act of 2001, or excavation” in its place.

9 (b) Section 12 of the Historic Landmark and Historic District Protection Act of 1978,
10 effective March 3, 1979 (D.C. Law 2-144; D.C. Code § 5-1011) is amended to add a new
11 subsection (c) to read as follows:

12 “(c) Nothing in this act shall affect the authority of the Mayor to take any
13 action with regard to a deteriorated structure pursuant to Title 1 of the Housing Preservation,
14 Rehabilitation, and Production Omnibus Amendment Act of 2001.”.

15
16 TITLE II: GOVERNMENT-SUPPORT HOUSING ACCOMODATIONS
17 CONVERSION.

18
19 Sec. 201. Definitions.

20 For the purposes of this title, the term:

21 (1) “AMI” means the area median income for the Washington Metropolitan Standard
22 Statistical Area, as periodically defined by the U.S. Department of Housing and Urban
23 Development.

1 (2) “Condominium” means an enclosed space, consisting of 1 or more rooms,
2 occupying all or part of 1 or more floors in a building of 1 or more floors or stories, regardless of
3 whether it is designed for residence, office, the operation of any industry or business, or for any
4 other type of independent use, and shall include such accessory units as may be appended
5 thereto, such as garage space, storage space, balcony, terrace or patio; provided, that said unit has
6 a direct exit to a thoroughfare or to a common space leading to a thoroughfare.

7 (3) “Condominium Act of 1976” (Condominium Act) means the act, as amended,
8 effective March 29, 1977 (D.C. Law 1-89; D.C. Code § 45-1801 *et seq.*).

9 (4) “Conversion” means, for condominiums, the issuance of a notice of filing as
10 required by the Condominium Act. “Conversion” means, for cooperatives, the filing of articles of
11 incorporation pursuant to the Cooperative Association Act.

12 (5) “Cooperative” means a cooperative legally incorporated pursuant to the
13 Cooperative Association Act or a cooperative corporation incorporated in another jurisdiction for
14 the primary purpose of owning and operating real property in which its members reside.

15 (6) “District of Columbia Cooperative Association Act”, as amended, (Cooperative
16 Association Act) means the act approved June 19, 1940 (54 Stat. 480, ch. 397; D.C. Code § 29-
17 1101 *et seq.*).

18 (7) “Government-assisted” means partially or completely subsidized by the federal
19 government (such as pursuant to § 8 of the U.S. Housing Act) as part of a government-sponsored
20 or government-subsidized program to provide housing for low or moderate income individuals or
21 families.

22 (8) “Housing accommodation” means a structure in the District of Columbia
23 containing 1 or more rental units and the appurtenant land. The term does not include a hotel,

1 motel, or other structure used primarily for transient occupancy and in which at least 60% of the
2 rooms devoted to living quarters for tenants or guests are used for transient occupancy if the
3 owner or other person or entity entitled to receive rents is subject to the sales tax imposed by
4 D.C. Code § 47-2001 (n)(1)(C) and the occupant of the rental unit has been in occupancy for less
5 than 15 days.

6 (9) “Involuntary displacement” means the process by which tenants are:

7 (a) Served a notice to vacate the property for reasons other than for a just
8 cause eviction;

9 (b) Not offered a one year lease by the property owner; or

10 (c) Offered a one year lease by the owner but are required to pay, as rent and
11 utilities, an amount greater than the tenant contribution to rent and utilities required by the
12 government-assisted contract between the government and the owner and which consequently
13 results in the tenant vacating the premises.

14 (10) “Just cause eviction” means evictions due to the tenant’s serious or repeated
15 violations of the terms and conditions of the lease of occupancy agreement or of applicable
16 District law.

17 (11) “Low-income household” means a household consisting of 1 or more individuals
18 with a total income equal to 50% or less of the AMI.

19 (12) “Moderate-income household” means a household consisting of 1 or more
20 individuals with a total income equal to between 50% and 80% of the AMI.

21 (13) “Non-Participating Use” means any use that is not supported by a government-
22 sponsored or government-subsidized program with the intent of providing housing for low or
23 moderate-income individuals or families.

1 (14) “Opt out” means a process by which the owner of a government-assisted rental
2 housing accommodation decides not to renew the government-assisted contract for an available
3 project pursuant to § 8 of the U. S. Housing Act.

4 (15) “Rental housing” or “rental unit” means that part of a housing accommodation
5 which is rented or offered for rent for residential occupancy and includes an apartment,
6 efficiency apartment, room, suite of rooms, and single-family home or duplex, and the
7 appurtenant land to such rental unit or rental housing.

8 (16) “Rental Housing Conversion and Sale Act of 1980”, as amended (Rental Housing
9 Conversion Act) means the act effective September 10, 1980 (D.C. Law 3-86; D.C. Code § 45-
10 1611 *et seq.*).

11 (17) “Tenant” means a tenant, subtenant, lessee, sublessee, or other person entitled to
12 possession, occupancy or benefits of a rental unit within a housing accommodation.

13 (18) “United States Housing Act of 1937”, as amended (U.S. Housing Act) means the
14 act codified at 42 U.S.C. § 1437f.

15
16 Sec. 202. Compliance with Existing Law.

17 Where appropriate, owners of government-assisted rental housing accommodations shall
18 comply with the provisions of the Cooperative Association Act (D.C. Code § 29-1101 *et seq.*),
19 the Condominium Act (D.C. Code § 45-1801 *et seq.*), and the Rental Housing Conversion Act
20 (D.C. Code § 45-1611 *et seq.*) prior to converting the property to condominium, cooperative
21 accommodations, or other non-participating use.

22
23 Sec. 203. Notices Required Upon Opting Out.

1 (a) In addition to complying with the requirements of section 202 of this title, an
2 owner of a government-assisted rental housing accommodation who decides that a particular
3 property shall opt out and cease to be a government-assisted rental accommodation shall notify
4 the Mayor and the tenants, in writing, at least 210 days prior to taking any action to opt out of a
5 long-term contract, and 150 days prior to taking any action to opt out of a one-year extension to a
6 long-term contract. The notice shall specify whether the owner:

7 (1) Intends to withdraw the property from the government-assisted rental
8 housing accommodation;

9 (2) Intends to convert the property to a condominium, cooperative, other
10 ownership property, or any other non-participating use; and

11 (3) Is involved in negotiations with HUD regarding an extension of an
12 expiring contract.

13 (b) Owners of government-assisted rental housing accommodations who opt out shall
14 consent to reasonable inspection of the property and inspection of the owner report on file with
15 HUD and the Mayor.

16 (c) To the extent allowed by federal law, owners of government-assisted rental
17 housing accommodations shall maintain a HUD § 8 contract in good standing during the notice
18 periods required by §§ 202 and 203 of this title, as well as during any condemnation proceeding
19 commenced.

20 (d) Owners of government-assisted rental housing accommodations shall refrain from
21 taking any action, other than notifying HUD and the Mayor of the owner's intent to not renew
22 the government-assisted housing contract, that would preclude the Mayor or the tenants from

1 succeeding to the contract or negotiating with the owner for the purchase of the property during
2 the notice period or condemnation proceeding referenced in this title.

3
4 Sec. 204. District Action Upon Notice of Opting Out.

5 (a) The Mayor or the tenants may pursue preservation of the government-assisted
6 rental housing accommodations through negotiation for purchase during the notice and, if
7 applicable, condemnation periods as well as prior to the issuance of such notice or condemnation
8 proceedings.

9 (b) Owners of government-assisted rental housing accommodations shall refrain from
10 taking any action, other than notifying HUD, the Mayor, and tenants of the owner's intent to not
11 renew the government-assisted housing contract, that would preclude the Mayor or the tenants
12 from succeeding to the contract or negotiating with the owner for the purchase of the property
13 during the notice period or condemnation proceeding referenced in this title.

14
15 Sec. 205. Relocation.

16 Owners of government-assisted rental housing accommodations who decide to opt out
17 shall provide relocation assistance for all tenants who experience involuntary displacement
18 which at least meets the requirements and benefits of tenant relocation assistance provided by §
19 302 of the Rental Housing Conversion Act (D.C. Code § 45-1621).

20
21 Sec. 206. Penalties for Noncompliance.

22 (a) An owner who fails to comply with any of the requirements of this title shall pay
23 a civil fine calculated in an amount ranging from the costs and damages caused by the

1 noncompliance up to the full replacement cost of each government-assisted rental housing
2 accommodation made unavailable as a government-assisted rental housing accommodation
3 because of the owner's noncompliance.

4 (b) All fines collected pursuant to this section shall be paid into the Housing
5 Production Trust Fund created by the Housing Production Trust Fund Act of 1988, effective
6 March 16, 1989 (D.C. Law 7-202; D.C. Code § 45-3101 *et seq.*).

7 (c) The Mayor may commence enforcement proceedings for any fines not paid within
8 the timeframes set forth in controlling regulations.

9
10 Sec. 207. Mayor's Powers of Eminent Domain.

11 The provisions of this title shall not be construed to restrict the Mayor's eminent domain
12 authority as provided in District law.

13
14 TITLE III: TARGETED HISTORIC HOUSING TAX CREDIT.

15
16 Sec. 301. Title 47 of the District of Columbia Code is amended as follows:

- 17
18 (a) The Table of Contents for Chapter 18 is amended by inserting
19 47-1806.7a Definitions.
20 47-1806.7b Allowable credit.
21 47-1806.7c Application for tax credit.
22 47-1806.7d Carryover of tax credit.
23 47-1806.7e Transferability of tax credit.

1 47-1806.7fTax credit cap.

2 47-1806.7g Rulemaking.

3
4 (b) Chapter 18 is amended by adding new sections 1806.7a through 1806.7g to read
5 as follows:

6 “1806.7a. Definitions.

7 “For the purposes of this title, the term:

8 “1. “AMI” means the area median income for the Washington Metropolitan
9 Standard Statistical Area, as periodically defined by the U.S. Department of Housing and Urban
10 Development.

11 “2. “Certified structure” means a structure that is located within one of the
12 following Historic Districts, as defined in section 2(5) of the Historic Landmark and Historic
13 District Protection Act of 1978, effective March 8, 1979 (D.C. Law 2-144; D.C. Code § 5-
14 1002(5)):

- 15 1. LeDroit Park;
- 16 2. Mount Vernon Square;
- 17 3. Blagden Alley/Naylor Court;
- 18 4. Shaw;
- 19 5. Anacostia;
- 20 6. Greater U Street, N.W.;
- 21 7. Greater 14th Street, N.W.;
- 22 8. Mount Pleasant; or
- 23 9. Capitol Hill.

1 “3. “Historic home” means a certified structure or a portion of a certified
2 structure, which is owned and occupied, or will be owned and occupied within a reasonable
3 period of time, as a principal place of residence by a person entitled to claim the tax credit
4 allowed under this section. Historic home shall include any structure or group of structures that
5 constitute a multiple-dwelling or multi-purpose structure, including a cooperative or
6 condominium, excluding common areas. If only a portion of a building is used as a principal
7 residence, only those qualified rehabilitation expenditures that are properly allocable to such
8 portion shall be deemed to have been made in connection with the rehabilitation of a historic
9 home.

10 “4. “Secretary’s Standards” means the U.S. Secretary of the Interior’s
11 Standards for Rehabilitation, codified at 36 CFR Part 67.

12 “5. “Certified rehabilitation” means any rehabilitation of a certified structure
13 that the Mayor has certified as meeting the Secretary’s Standards.

14 “6. “Qualified rehabilitation expenditure”, except as provided below, means
15 any amount, as defined under 26 U.S.C. § 47(c)(2)(A), as amended, and the related regulations
16 thereunder, properly chargeable to a capital account expended for the substantial rehabilitation of
17 a certified structure. Qualified rehabilitation expenditure does not include the cost of: (1) the
18 acquisition, or (2) the enlargement or additions to an existing building, landscaping, or personal
19 property. At least five percent of the qualified expenditures made in the rehabilitation of a
20 certified structure must be allocable to the exterior.

21 “7. “Eligible taxpayer” means a taxpayer as defined in D.C. Code § 47-
22 1801.4(7) who has an income of less than 120% of the AMI.

1 “8. “Substantial rehabilitation” means rehabilitation of a certified structure for
2 which the qualified rehabilitation expenditures, during the 24-month period selected by the
3 taxpayer ending with or within the taxable year, exceed \$20,000. In the case of any
4 rehabilitation that may reasonably be expected to be completed in phases set forth in
5 architectural plans and specifications drawn by a District of Columbia licensee before the
6 rehabilitation begins, a 60-month period may be substituted for the 24-month period.

7 “9. “District taxes” means the income tax imposed by D.C. Code § 47-
8 1806.3.”

9
10 “1806.7b. Allowable credit.

11 “(a) There shall be allowed a tax credit for certain expenditures for the certified
12 rehabilitation of a historic home.

13 “(b) An eligible taxpayer shall be allowed a tax credit for the taxable year in which the
14 certified rehabilitation is completed against individual District income taxes equal to 25 percent
15 of qualified rehabilitation expenditures. Tax credits under this provision for a historic home
16 shall not exceed \$50,000 in any 60-month period.”.

17
18 “1806.7c. Application for tax credit.

19 “To apply to receive the tax credit authorized by section 1806.7b, a taxpayer must attach
20 to the taxpayer’s District of Columbia income tax return:

21 “(A) A copy of the District of Columbia Certification of Completed Work confirming
22 that the rehabilitation of the certified structure is consistent with the Secretary’s Standards; and

1 “(B) A copy of the forms and information prescribed by the Mayor certifying that the
2 taxpayer has satisfied the requirements of this title.”.

3
4 “1806.7d. Carryover of tax credit.

5 “To the extent that the tax credit allowed under this title in any taxable year exceeds the
6 total income tax liability of the taxpayer for that tax year, the taxpayer may apply the excess as a
7 credit for succeeding tax years until the earlier of:

8 “(A) The full amount of the excess is used; or

9 “(B) The expiration of the fifth taxable year after the taxable year in which the certified
10 rehabilitation has been completed.”.

11
12 “1806.7e. Transferability of tax credit.

13 “(a) An eligible taxpayer may sell, transfer, or assign, in whole or part, his or her tax
14 credits allowed under section 1806.7b. The sale, transfer, or assignment of tax credits does not
15 divest the eligible taxpayer of his or her ownership and occupancy of the certified structure.

16 “(b) The sale, transfer or assignment of any tax credits to an individual shall be passed
17 through to the purchaser, transferee, or assignee, in toto, or pursuant to an executed agreement
18 documenting an alternate distribution method. Each seller, transferor, or assignor of any tax
19 credits shall perfect such transfer by notifying the Mayor of such assignment in the form
20 approved by the Mayor within 30 calendar days following the effective date of the transfer. If a
21 historic home for which a certified rehabilitation has been completed by a nonprofit corporation
22 is sold, transferred, or assigned, the full amount of the credits to which the nonprofit corporation

1 would be entitled if taxable shall be transferred to the purchaser, transferee, or assignee at the
2 time of sale, transfer, or assignment.

3 “(c) The sale, transfer or assignment of any tax credits to other than an individual,
4 shall be passed through to the purchasers, transferees, or assignees on a pro rata basis or pursuant
5 to an executed agreement among the purchasers, transferees, or assignees documenting an
6 alternate distribution method. Each seller, transferor or assignor of the tax credits shall perfect
7 such transfer by notifying the Mayor of such sale, transfer or assignment in the form approved by
8 the Mayor within 30 calendar days following the effective date of the sale, transfer or
9 assignment. If a historic home for which a certified rehabilitation has been completed by a
10 nonprofit corporation is sold, transferred or assigned, the full amount of the credits to which the
11 nonprofit corporation would be entitled if taxable shall be sold, transferred or assigned to the
12 purchaser, transferee, or assignee at the time of sale, transfer, or assignment.

13 “(d) A purchaser, transferee, or assignee may use acquired tax credits to offset up to
14 one hundred percent of the tax liabilities otherwise imposed pursuant to District income tax laws
15 and may apply any excess as credits for succeeding years as provided in section 1806.7d. Such
16 purchaser, transferee, or assignee shall file with his or her District of Columbia income tax return
17 a copy of the District of Columbia Certification of Completed Work as provided in section
18 1806.7c and a copy of the form evidencing the transfer, sale or assignment of the tax credits.

19 “(e) A purchaser, transferee or assignee of any tax credits allowed under this title shall
20 be entitled to rely in good faith on the information contained in and used in connection with
21 obtaining the District of Columbia Certification of Completed Work including without
22 limitation, the amount of qualified rehabilitation expenditures.

1 “(f) No District of Columbia tax shall be incurred as a result of the sale, transfer,
2 assignment, or use of any tax credit allowed under this section.”.

3
4 “1806.7f. Tax Credit Cap.

5 “Beginning January 1, 2003 and ending December 31, 2007, each calendar year, the
6 Mayor may pre-approve up to \$1,250,000 of income tax credits pursuant to this title. In any
7 calendar year, during this period, in which the full amount of tax credits is not pre-approved by
8 the Mayor, any balance of tax credits may be carried forward and pre-approved in subsequent
9 years for up to five years.”.

10
11 “1806.7g. Rulemaking.

12 “The Mayor shall promulgate rules necessary for the implementation of this title.”.

13
14 Sec. 302. Sections 1806.7a through 1806.7g shall apply to qualified rehabilitation
15 expenditures incurred after September 30, 2001.

16
17 TITLE IV: LOW-INCOME, LONG-TERM HOMEOWNERS PROTECTION.

18
19 Sec. 401. Title 47 of the District of Columbia Code is amended as follows:

20
21 (a) The Table of Contents for Chapter 18 is amended by inserting:

22 47-1806.8. Same – Same – Low-Income, Long -Term Homeowner

23 47-1806.8a Definitions.

1	47-1806.8b.....	Allowable Credit.
2	47-1806.8c.....	Application for tax credit.
3	47-1806.8d	Correction of errors.
4	47-1806.8e	Fraud.
5	47-1806.8f	Carryover of tax credit.

6 (b) Chapter 18 is amended by adding new sections 1806.8a through 1806.8f to read
7 as follows:

8
9 “1806.8a. Definitions.

10 “For the purposes of sections 47-1806.8a through 47-1806.8f, the term:

11 “1. “AMI” means the area median income for the Washington Metropolitan
12 Standard Statistical Area, as periodically defined by the U.S. Department of Housing and Urban
13 Development;

14 “2. “Eligible residence” means a Class 1 property as defined in D.C. Code §
15 47-813(c-4)(1).

16 “3. “Eligible resident” means a taxpayer, as defined in D.C. Code § 1801.4(7),
17 who:

18 (a) Owns an eligible residence as his or her principal place of
19 residence and has resided in the same for 10 or more years; and,

20 (b) Has a household gross income equal to or less than 60% of AMI.

21 “4. “Household gross income” means the same as described in D.C. Code §
22 47-1806.6.”.

23

1 “1806.8b. Allowable Credit.

2 “An eligible resident shall be allowed an income tax credit equal to the difference
3 between the real property tax liability of the eligible residence for the current tax year and 1.05
4 times the amount of real property tax liability for the tax year immediately preceding the current
5 tax year.”.

6
7 “1806.8c. Application for tax credit.

8 “(a) To apply for the tax credit authorized by D.C. Code § 1806.8b, an eligible
9 resident must submit the forms and information prescribed by the Mayor when filing his or her
10 District of Columbia income tax return.

11 “(b) An eligible resident may elect to apply for the tax credit authorized by
12 section 1806.8(b) or the tax credit authorized by section 1806.6.

13 “(c) Any application for credit shall be filed with the District before the
14 expiration of the 3-year statute of limitations. That statute of limitations shall commence to run
15 on April 15th of the year following the year in which the application is filed.”.

16
17 “1806.8d. Correction of errors.

18 “If, pursuant to an audit of any application under this section, the Mayor finds the amount
19 of the application to have been incorrectly computed, he shall determine the correct amount and
20 notify the eligible resident in accordance with the procedures set forth in D.C. Code § 47-
21 1812.5.”.

22
23 “1806.8e. Fraud.

1 “(a) If the Mayor determines that an application was filed with fraudulent
2 intent before the tax credit is allowed, the Mayor shall deny the application.

3 “(b) If the Mayor determines that an application was filed with fraudulent
4 intent after a tax credit has been allowed against income taxes otherwise payable to the District
5 of Columbia, the Mayor shall cancel the tax credit, he shall cause the amount allowed to be
6 assessed against the applicant, and that amount shall be due and payable in the same manner as
7 provided in D.C. Code § 47-412 for the collection of taxes.”.

8
9 “1806.8f. Carryover of tax credit.

10 “To the extent that the tax credit allowed under this title exceeds the eligible resident’s
11 total income tax liability for that tax year, the eligible resident may apply the excess as a credit
12 against:

13 “(a) any outstanding tax liability of the eligible resident to the District; or,

14 “(b) succeeding tax years until the earlier of:

15 “(i) the full amount of the excess is used; or

16 “(ii) the expiration of the third taxable year after the taxable year in
17 which the certified rehabilitation has been completed.”.

18
19 Sec. 402. Sections 1806.8a through 1806.8f shall apply to taxable years beginning
20 October 1, 2002.

21
22 TITLE V: MODIFICATION OF THE HOUSING PRODUCTION TRUST FUND

1 Sec. 501. Section 3 of the Housing Production Trust Fund Act of 1988, effective
2 March 16, 1989 (D.C. Law 7-202; D.C. Code § 45-3102) is amended as follows:

3 (a) Sec. 3(b) (D.C. Code § 45-3102(b)), is amended as follows:

4 (1) By deleting the word “and” following the semicolon in section 3(b)(8)
5 (D.C. Code § 45-3102(b)(8)).

6 (2) By inserting the phrase “and grants” after the phrase “Other loans” in
7 section 3(b)(9) (D.C. Code § 45-3102(b)(9));

8 (3) By striking the final period, inserting a semi-colon, and adding the word
9 “and” at the end of section 3(b)(9) (D.C. Code § 45-3102(b)(9)); and

10 (4) By adding a new paragraph (10) to read as follows:

11 “(10) Payment for reasonable costs of Fund administration.”.

12 (b) Sec. 3(c) (D.C. Code § 45-3102(c)) is amended as follows:

13 (1) By deleting the word “and” following the semicolon in section 3(c)(9)
14 (D.C. Code § 45-3102(c)(9));

15 (2) By striking the period and inserting a semicolon in section 3(c)(10) (D.C.
16 Code § 45-3102(c)(10));

17 (3) By striking the final period and inserting a semicolon at the end of the
18 section 3(c)(11) (D.C. Code § 45-3102(c)(11)); and

19 (4) By adding two new paragraphs (12) and (13) to read as follows:

20 “(12) Beginning October 1, 2002, 15% of the District’s real estate
21 transfer taxes and 15% of the District’s deed recordation taxes; and

22 “(13) The proceeds from the District’s sales of abandoned or deteriorated
23 properties that the District acquires and sells pursuant to Title VIII of the Housing Preservation,

1 Rehabilitation, and Production Omnibus Amendment Act of 2001, unless those properties are
2 sold pursuant to the Homestead Housing Preservation Act of 1986, effective August 9, 1986
3 (D.C. Law 6-135; D.C. Code § 45-2701 *et seq.*).”.

4
5 Sec. 502. Applicability.

6 Section 3(c)(12) shall apply beginning fiscal year 2003.

7
8 TITLE VI: TAX ABATEMENT FOR NEW RESIDENTIAL DEVELOPMENTS AND
9 NEW HOMEOWNERS IN ENTERPRISE ZONES.

10
11 Sec. 601. Title 47 of the District of Columbia Code is amended as follows:

12 (a) The Table of Contents for Chapter 8, Subchapter II, is amended by adding at the
13 end three new sections: “ 47-857. Tax abatements for eligible residential developments and
14 new homeowners in enterprise zones -- Definitions.”; “47-858. Same – Requirements for tax
15 abatements.”; and “47-859. Same – Rules and regulations.”.

16
17 (b) A new section 47-857 is added to read as follows:
18 “47-857. Tax abatements for eligible residential developments and new homeowners in
19 enterprise zones – Definitions.

20 “For the purposes of sections 47-857 and 47-858, the term:

21 “(a) “Affordable” means rents or housing payments not greater than 30% of household
22 income.

1 “(b) “AMI” means the area median income for the Washington Metropolitan Standard
2 Statistical Area, as periodically defined by the U.S. Department of Housing and Urban
3 Development.

4 “(c) “Base year” means the taxable year immediately preceding the tax year in which
5 an abatement under this section is first provided.

6 “(d) “Current tax year” means the tax year in which the tax abatement sought under
7 D.C. Code § 47-858 would be granted.

8 “(e) “Eligible area” means “Housing Priority Area A” as described in the regulations
9 governing the Downtown Development District in section 1706 of the Zoning Regulations of the
10 District of Columbia, 11 DCMR § 1706.

11 “(f) “Eligible real property” means real property that:

12 “(1) Is taxed as Class 1 Property, as defined in D.C. Code § 47-813;

13 “(2) Is improved by new structures or substantial rehabilitation (as defined in
14 Chapter 3 of the Comprehensive Plan for the National Capital Area); and

15 “(3) Has 10 or more units devoted to residential uses.;

16 “(g) “Enterprise zone” means an area within the District that has been designated as
17 the District of Columbia Enterprise Zone pursuant to Subchapter W of Chapter 1 of the Internal
18 Revenue Code of 1986, approved Aug. 5, 1997 (111 Stat. 863; 26 U.S.C. § 1400 *et seq.* (Supp.
19 2000)).

20 “(h) “Low income household” means a household consisting of 1 or more individuals
21 with a total income equal to 60% or less of the AMI.

1 “(i) “Mixed income housing developments” means eligible real property where at
2 least 10% of all units are affordable to low and moderate income households and at least 50% of
3 these units are affordable to low income households.

4 “(j) “Moderate income household” means a household consisting of 1 or more
5 individuals with a total income equal to between 60% and 80% of the AMI.”.

6
7 (c) A new section 47-858 is added to read as follows:

8 “47-858. Same – Requirements for tax abatements.

9 “(a) In order to be eligible for a tax abatement under this section, an applicant must:

10 “(1) Apply for the tax abatement before the first day of the tax year for which
11 the abatement is sought; and

12 “(2) Receive a building permit for the property for which abatement has been
13 awarded within 180 days of being awarded the tax abatement.

14 “(b) Real property tax liability shall be reduced by an amount equal to 50% of the
15 amount by which the tax liability for the property increased between the base year and the
16 current tax year for the first 10 years beginning after the date that a certificate of occupancy was
17 issued for eligible real property in eligible areas.

18 “(c) Real property tax liability shall be reduced by an amount equal to 75% of the
19 amount by which the tax liability for the property increased between the base year and the
20 current tax year for the first 10 years beginning after the date that a certificate of occupancy was
21 issued for new mixed-income housing developments in which 10% of the units are occupied by
22 low and moderate income households, provided that the property is maintained as a mixed-
23 income housing development for the next consecutive 20 years.

1 “(d) Real property tax liability shall be reduced by an amount equal to 100% of the
2 amount by which the tax liability for the property increased between the base year and the
3 current tax year for the first 10 years beginning after the date that a certificate of occupancy was
4 issued for new mixed-income housing developments in which 20% of the units are occupied by
5 low and moderate income households, provided that the property is maintained as a mixed-
6 income housing development for the next consecutive 20 years.

7 “(e) With respect to subsections (b), (c), (d) of this section, if at any time fewer than
8 10 units are devoted to residential use, then the provisions of this subsection shall become
9 inapplicable and there shall be no reduction in the property tax liability.

10 “(f) In order to be eligible for the tax relief provided by subsections (c) and (d) of this
11 section, units occupied by low and moderate income households must be equivalent in size and
12 quality to other units in the development.

13 “(g) A homeowner who purchases and substantially rehabilitates a home in an
14 enterprise zone after the effective date of this title and prior to October 1, 2007 shall receive a tax
15 reduction equal to 50% of the amount by which the tax liability for the property increased as a
16 result of the rehabilitation for the first 5 years after the rehabilitation was completed, provided
17 that the homeowner or one or more members of the homeowner’s household uses the home as
18 his or her principal residence. Taxes for succeeding years shall be increased by increments of
19 10% of the full tax liability, until the time that full liability, absent this provision, is reached.
20 The property tax liability shall only be reduced while the homeowner or one or more members of
21 the homeowner’s household maintains the property as his or her principal residence.

22 “(h) In order to be eligible for the tax relief provided by subsections (b), (c), (d), and
23 (g), the Mayor may require the owner to certify, in the form and by the time prescribed by the

1 Mayor, averring, under penalty of perjury, that the owner has satisfied all the requirements
2 applicable to the receipt of the real property tax relief provided by the applicable subsection.

3 “(i) If, after taxes have been abated under the terms of subsections (c) and (d), the
4 property is not maintained as a mixed-income housing development as required by the applicable
5 subsection, then the owner shall be assessed a penalty of \$10,000 per year for each unit that is
6 not affordable to low or moderate income households. A penalty shall not be imposed when a
7 property is transferred to a new owner who continues to use the property in a manner that
8 satisfies the requirements of the applicable subsection. The Mayor shall waive the penalty if the
9 housing development is destroyed by an act of God and may waive the penalty upon a showing
10 of good cause.

11 “(j) The provisions of this section shall be inapplicable to any person who, or any
12 property which, receives any benefits from the Tax Increment Financing Authorization Act of
13 1998, effective September 11, 1998 (D.C. Law 12-143; D.C. Code § 1-2293 *et seq.*).

14 “(k) This section shall not affect the right of a real property owner to appeal from the
15 assessment of any new structures or substantial rehabilitation pursuant to section 426a of the
16 District of Columbia Real Property Tax Revision Act of 1974, effective March 17, 1993 (D.C.
17 Law 9-241; D.C. Code § 47-825.1).”.

18
19 (d) A new section 47-859 is added to read as follows:

20 “47-859. Same – Rules and Regulations.

21 “The Mayor shall promulgate such rules and regulations as may be necessary for the
22 proper implementation and administration of §§ 47-857 and 47-858 within 180 days of the
23 effective date.”.

1
2 Sec. 602. Tax Abatement Cap.

3 (a) During the tax years 2002, 2003, and 2004, the Mayor may approve up to:

4 (1) \$750,000 worth of new tax abatement pursuant to D.C. Code § 47-858(b);

5 (2) \$500,000 worth of new tax abatement pursuant to D.C. Code § 47-858(c);

6 (3) \$500,000 worth of new tax abatement pursuant to D.C. Code § 47-858(d);

7 and

8 (4) \$125,000 worth of new tax abatement pursuant to D.C. Code § 47-858(g).

9 (b) Any unapproved funds may be carried forward for up to 5 years.

10
11 Sec. 603. Section 802 of the Rental Housing Act of 1985, effective July 17, 1985
12 (D.C. Law 6-10; D.C. Code § 45-2582), is amended by adding a new subsection (f) to read as
13 follows:

14 “(f) The provisions of this section shall be inapplicable to any person who, or any
15 property which, receives any tax relief pursuant to D.C. Code §§ 47-857 through 47-859.”.

16
17 TITLE VII: MODIFICATION TO THE HOMESTEAD PROGRAM.

18
19 Sec. 701. The Homestead Housing Preservation Act of 1986, effective August 9, 1986
20 (D.C. Law 6-135; D.C. Code § 45-2701 *et seq.*), is amended as follows:

21 (a) Section 3 (D.C. Code § 45-2702) is amended as follows:

22 (1) Paragraph (1) is amended by inserting the phrase “decent and affordable
23 rental and” after the phrase “To provide” and before the phrase “homeownership opportunities”.

1 (2) Paragraph (4) is amended by striking the word “and” at the end of the
2 paragraph.

3 (3) Paragraph (5) is amended by striking the period at the end and inserting a
4 semicolon in its place.

5 (4) New paragraphs (6) and (7) are added to read as follows:

6 “(6) To establish a Homestead Repayment Fund, into which all
7 repayments of Homestead Loans must be deposited, which will serve as a funding source for
8 future Homestead Loans; and

9 “(7) To provide rental units to serve as public housing financed with
10 Annual Contribution Contracts from the U.S. Department of Housing and Urban Development.”.

11 (b) Section 5(a) (D.C. Code § 45-2704(a)) is amended by inserting the phrase “or
12 through foreclosure, donation or purchase” after the phrase “section 437 of the District of
13 Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1059;
14 D.C. Code, Sec. 47-847)” and before the phrase “may be transferred”.

15 (c) Section 6 (D.C. Code § 45-2705) is amended by adding a new subsection (c) to
16 read as follows:

17 “(c) The Mayor may accept unsolicited proposals for any Homestead property
18 that has been offered for sale but that was not purchased through the RFP process.”.

19 (d) Section 7(a) (D.C. Code § 45-2706(a)) is amended by inserting a new paragraph
20 (4) to read as follows:

21 “(4) If there are no proposals for the development of condominium and
22 cooperative housing, proposals for the development of rental housing shall be considered next.”.

23 (e) Section 8 (DC Code § 45-2707) is amended as follows:

1 (1) Subsection (a) is amended to read as follows:

2 “(a) The Mayor shall sell each building in the Program for \$250 per
3 dwelling unit. Single-family and small multi-family dwellings shall be sold at prices determined
4 by the Mayor after considering the income level of the purchaser, the condition of the property,
5 and such other factors as the Mayor deems appropriate pursuant to rules. The priority to be
6 given to the transfer of a single-family dwelling unit shall be as follows:

7 “(A) priority shall be first given to the sale to a low-income
8 person; and

9 “(B) priority shall be next given to the sale for development of
10 low-income rental units.

11 At least 1 dwelling unit in small multi-family dwellings of 2 to 4 dwelling units shall be
12 transferred to a low- or moderate-income person for purchase, or in the case of sale for
13 development as rental housing, transferred for occupancy to a low- or moderate – income person.
14 Any rules or factors developed by the Administrator for consideration in connection with the
15 transfer of single-family and small multi-family dwellings shall be transmitted to the Council for
16 review and approval pursuant to section 5.”.

17 (2) Subsection (d) is amended by:

18 (i) Inserting the phrase “for the purchase of the building” after the
19 phrase “potential homesteaders”; and

20 (ii) Inserting the phrase “unless the building is sold consistent with
21 section 5(c) or section 7(a)(4)” after the phrase “first-time homebuyers”.

22 (f) Section 9 (a) (D.C. Code § 45-2708(a)) is amended as follows:

23 (1) Paragraph (1) is amended by:

1 (i) Striking the first word of the subsection “The”, and inserting the
2 phrase “Subject to subsection (b), the”; and

3 (ii) Striking the words “settlement date” after the phrase “on the 5th
4 anniversary of the” and before the word “date” and adding the phrase “of completion of
5 renovations” at the end of the same sentence.

6 (2) Paragraph (3) is amended to read as follows:

7 “(3)(A) Individual homesteaders of single family properties shall improve
8 the properties to meet all applicable requirements of the Building Code and Housing Code within
9 24 months of the starting date of the Technical Training Program.

10 “(B) Organizations developing Homestead properties shall improve the
11 properties to meet all applicable requirements of the Building Code and Housing Code within 36
12 months of the award of the property.”.

13 (g) By adding 2 new sections 5a and 5b to read as follows:

14 “Sec. 5a. Homestead Repayment Fund.

15 “(a) There shall be established a Homestead Repayment Fund for the
16 purposes of making loans authorized under section 8. This Fund shall be accounted for in the
17 General Fund as a separate revenue source.

18 “(b) The repayments of loans authorized under section 8 shall be
19 deposited into this Fund for use subject to subsection (a).

20 “(c) This Fund shall be administered by the Mayor.”; and

21 “Sec. 5b. Use of Annual Contribution Contracts in Homestead Properties.

1 “To the extent allowed by District and federal law, the Mayor may permit
2 the use of Annual Contribution Contract payments in properties sold for use as rental housing
3 through the Homestead Housing Preservation Program.”.

4
5 TITLE VIII: ACQUISITION AND DISPOSAL OF ABANDONED AND
6 DETERIORATED PROPERTIES.

7
8 Sec. 801. The Council finds that:

9 (1) There exists in the District of Columbia a large number of abandoned or
10 deteriorated properties.

11 (2) Many of the abandoned or deteriorated properties are located in areas that
12 are blighted or dilapidated and the existence of these properties contributes to the further decline
13 of such blighted and dilapidated areas.

14 (3) Abandoned or deteriorated properties adversely affect the health, safety,
15 and welfare of District of Columbia residents.

16 (4) The existence of blight and blighting influences and the deterioration of
17 property and neighborhoods is detrimental to the economic development of the District of
18 Columbia.

19 (5) Many abandoned or deteriorated properties can be renovated,
20 reconstructed, or reused in order to provide decent, safe, and suitable housing and ancillary
21 commercial facilities.

22 (6) Such renovation, reconstruction, or reuse would eliminate, correct, and
23 prevent blight in the District of Columbia and encourage economic development.

1 (7) Private enterprise has not acquired these abandoned or deteriorated
2 properties for the necessary renovation, reconstruction, or reuse.

3 (8) The provisions of this title authorizing the acquisition and disposal of
4 abandoned or deteriorated property are in the public interest.

5
6 Sec. 802. Definitions.

7 For the purposes of this title, the term:

8 (1) “Abandoned property” means:

9 (A) An unoccupied structure or vacant lot on which taxes are in arrears
10 for at least 2 years; or

11 (B) A building or structure:

12 (i) That is unoccupied by an owner, occupant, tenant, or
13 lessee;

14 (ii) That a fire, building, or housing code official of the District
15 of Columbia has determined to be structurally unsafe; and

16 (iii) Regarding which the Mayor has issued the owner a notice
17 requiring the owner to rehabilitate the building or structure to conform with any provision of the
18 fire, building, or housing codes of the District of Columbia or to demolish the building or
19 structure for safety reasons, and the owner has failed to act in response to the Mayor’s notice
20 within the time established by statute or regulation.

21 (2) “Deteriorated property” means any improved or unimproved real property:

22 (A) That the Mayor has determined:

23 (i) Constitutes a threat to public health, safety, or welfare; and

(ii) Contributes to the blight or dilapidation of the area immediately surrounding it;

(B) As to which, if the real property contains a building or structure, the building or structure fails to conform with any provision of the fire, building, or housing codes of the District of Columbia;

(C) As to which, with respect to any building or structure on the real property, the Mayor has issued the owner a notice to rehabilitate the building or structure to conform with any provision of the fire, building, or housing codes of the District of Columbia or to demolish the building or structure for safety reasons, and the owner has failed to act in response to the Mayor's notice within the time established by statute or regulation; and

(D) As to which, if the real property contains a building or structure that is occupied, the building or structure is occupied by a person or persons other than the owner.

(3) "Lessee" includes the successors or assigns and successors in title of any lessee.

(4) "Owner" means one or more persons with an interest in real property in the District of Columbia as reflected in the records of the Office of the Recorder of Deeds.

(5) "Real property" means land; land together with buildings, structures, fixtures, and other improvements; liens, estates, easements, and other interests; or restrictions and limitations upon the use of land, buildings, or structures other than those imposed by exercise of police power.

Sec. 803. Acquisition of Abandoned or Deteriorated Property.

1 (a) The Mayor is authorized to acquire any real property determined to be an
2 abandoned property or a deteriorated property.

3 (b) Abandoned or deteriorated property may be acquired for the purposes of this title:

4 (1) Pursuant to D.C. Code §§ 16-1311 through 16-1321;

5 (2) Through gift or donation, provided that the Mayor approves the
6 acceptance and use of the gift or donation;

7 (3) By assignment; or

8 (4) Through voluntary sale by the owner.

9 (c) The Mayor may develop or redevelop any abandoned or deteriorated property so
10 acquired, including but not limited to the demolition or renovation of buildings and other
11 structures on the property or the taking of other actions to eliminate blighted or unsafe
12 conditions.

13
14 Sec. 804. Disposal of Abandoned or Deteriorated Property.

15 (a) The Mayor may sell, transfer, or otherwise dispose of any real property so
16 acquired, regardless of whether the real property has been altered or improved, provided that
17 before any such disposition there shall be a public hearing on the proposed terms and conditions
18 of the disposition after at least 30 days public notice.

19 (b) The Mayor may dispose of real property owned by the District of Columbia by
20 negotiation or public or private sale, on such terms and conditions that are necessary to
21 accomplish purposes of this title, including, but not limited to, selling the real property at or
22 below fair market value or including the property in the Homestead Housing Preservation

1 Program established by section 5 of the Homestead Housing Preservation Act of 1986, approved
2 August 9, 1986 (D.C. Law 6-135; D.C. Code § 45-2704).

3 (c) The Mayor may offer adjacent property owners the first right to purchase real
4 property sold at a private sale. Before accepting offers on the real property for private sale, the
5 Mayor may notify the owners of adjoining property:

6 (1) That they may make offers to the Mayor to purchase the real property
7 within a time period set by the Mayor;

8 (2) Of the minimum offer acceptable to purchase the real property; and

9 (3) That an offer to purchase real property shall be made in writing on a form
10 and under such conditions as the Mayor shall by regulation prescribe.

11 (d) If only one adjoining property owner offers to purchase the property at a private
12 sale, the Mayor shall accept the offer.

13 (e) If more than one adjoining property owner offers to purchase the real property at a
14 private sale, the Mayor shall accept the highest offer.

15 (f) At a private sale, if no acceptable offer is made by an adjoining property owner
16 within the time period determined by the Mayor, the Mayor may sell the real property to any
17 interested purchaser in accordance with procedures established by the Mayor.

18
19 Sec. 805. Assistance to Displaced Persons.

20 If an occupant, tenant, or lessee is displaced, the Mayor shall offer the occupant, tenant,
21 or lessee preference, assistance, and payments to the same extent that the occupant, tenant, or
22 lessee would qualify for preference, assistance, and payments under Chapter 736, section 8 of the
23 District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 790; D.C.

Code § 5-807); section 1 of An Act To authorize the Commissioners of the District of Columbia to pay relocation costs made necessary by actions of the District of Columbia government, and for other purposes, approved October 6, 1964 (78 Stat. 1004; D.C. Code § 5-830); Title II, section 209 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, approved January 2, 1971 (84 Stat. 1899; D.C. Code § 5-834); or Title IV, section 516 of the Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Code § 5-835).

Sec. 806. Repealer.

Title IV of the Abatement of Condemnation of Nuisance Properties Omnibus Amendment Act of 2000, effective ____, 2001 (D.C. Law 13-646; D.C. Code ____), is repealed.

TITLE IX: RULES, FISCAL IMPACT STATEMENT, AND EFFECTIVE DATE.

Sec. 901. Rulemaking.

The Mayor, pursuant to title 1 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Code § 1-1501 *et seq.*) shall promulgate rules to implement the provisions of this act. Such rules shall include, where appropriate, record notice of the applicability of the provisions of this act to affected properties, procedures for filing liens to enforce the provisions of this act, and a schedule of civil penalties and other enforcement provisions.

